BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 94-200-C - ORDER NO. 94-514

JUNE 3, 1994

IN RE: Application of ALLTEL South Carolina, Inc.) ORDER for Approval of an Optional Expanded Area) APPROVING Calling Plan called ALLTEL Plus.) EXTENDED) AREA CALLING) PLAN

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of a tariff filing on March 31, 1994 by ALLTEL South Carolina, Inc. (ALLTEL or the Company) for approval of revisions to its General Subscriber Service Tariff. The purpose of the filing is to introduce an Optional Extended Area Calling Plan known as "ALLTEL Plus" (the Plan).

By letter dated April 13, 1994, the Commission's Executive Director instructed ALLTEL to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the area affected by the Company's tariff filing. The Notice of Filing indicated the nature of ALLTEL's tariff filing and advised all interested parties of the manner and time in which to file the appropriate pleadings for participation in this proceeding.

ALLTEL submitted an affidavit indicating that it had complied with these instructions. No Protests or Petitions to Intervene were filed. In light of this fact, the Commission concludes that this

matter should be considered without a hearing.

The ALLTEL Plus Plan is an optional calling plan which provides seven digit calling to the current local area and to new exchanges located within a forty-mile radius of a customer's serving telephone exchange and located within the same LATA. The basic plan, as filed by the Company, provides calling in the current local calling area at 2¢ per minute and in the expanded calling area exchanges at 11¢ per minute. The monthly line charge for the ALLTEL Plus Service is \$7.00 for each individual residential line and \$23.00 for each individual business line. The local service (current local calling area) usage charges will be capped for residence and business service. Additional options are also available for subscribers through the Plan which allow customers to purchase further discounts for the basic plan. One option is a flat rate option which is available only to residence single line customers. Residential customers can select a flat rate option which will provide unlimited calling to the current calling area and to the expanded calling area for a monthly line charge of \$28.00. ALLTEL requests that the Commission approve the Plan effective October 1, 1994.

Upon examination of the Application and the entire record in the case, the Commission concludes that the ALLTEL Plus Plan should be approved. The Plan presented to this Commission is very similar to the plan approved for Pond Branch Telephone Company in our Order No. 94-400 on May 6, 1994, in that we are presented with an optional forty-mile radius seven digit calling plan. Clearly,

we believe that this Plan will provide benefits to its subscribers that are similar in nature to those enjoyed by the Pond Branch Telephone Company, Pond Branch Plus + subscribers. We believe that the ALLTEL Plus Plan will benefit ALLTEL subscribers by integrating the service area with nearby metropolitan areas. The Commission concludes that the benefits of the ALLTEL Plus Plan as filed far outweigh any potential problems with regard to the Plan. The Plan is an optional one, so that only those customers who wish to participate in the Plan would do so. We believe that the adoption of the Plan as filed by the Company is in the public interest.

In approving the ALLTEL Plus Plan, the Commission has exercised its power and discretion granted by S.C. Code

Ann.§§58-3-140 and 58-9-250 to reclassify this calling traffic as local service. In approving the Plan, the Commission has considered the potential impact which the Plan may have to encourage land development in the area, the positive impact to subscribers and ease of use and in reducing rates, the optional nature of the Plan, and the minimal impact on on the revenues of ALLTEL so that the benefits of the Plan will be afforded with no increase in rates for local or other service.

S. C. Code Ann.§58-3-140(A) (Supp. 1993) designates that this Commission is vested with power and jurisdiction to supervise and regulate the rates and service of every public utility in this State and to fix just and reasonable standards, classifications, regulations, practices, and measurements of service to be

furnished, imposed, or observed, and followed by every public utility in this State. (emphasis added) Additionally, although telephone utilities may not grant unreasonable preferences or advantages, "[s]ubject to the approval of the Commission..., telephone utilities may establish classifications of rates and services and such classifications may take into account the conditions and circumstances surrounding the service, and such as time when used, the purpose for which used, the demand upon plant facilities, the value of the service rendered or any other reasonable consideration. The Commission may determine any questions arising under this section." S.C. Code Ann.§58-9-250 (1976, as amended).

All and all, the Commission believes that the ALLTEL Plus Plan will benefit ALLTEL's subscribers, and therefore, approval of the Plan is in the public interest. Since the Plan is optional, it will serve those subscribers who wish to utilize the Plan, but not burden those subscribers who either have no desire, or who have no need to use the Plan.

IT IS THEREFORE ORDERED THAT:

- 1. The ALLTEL Plus Plan is hereby approved as filed by the Company, effective October 1, 1994.
- 2. ALLTEL shall maintain records which will show the revenue effect of ALLTEL's participation in the Area Calling Plan Principles Agreement on its revenue requirement and the revenue requirement of other LECs which terminate Area Calling Plan type calls in ALLTEL's service area. The records shall also include

the amount of terminating carrier common line charges avoided as a result of the Area Calling Plan Principles Agreement.

3. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

Chairman

ATTEST:

Executive Director

(SEAL)